

Wisconsin State Legislature

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Joint Committee on Finance *100TH ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: July 5, 2011

Re: DOA Report to JFC

Attached is a report on temporary reallocation of balances from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV:jm



**WISCONSIN DEPARTMENT OF
ADMINISTRATION**

SCOTT WALKER
GOVERNOR

MIKE HUEBSCH
SECRETARY

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Voice (608) 266-1741
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June 30, 2011

RECEIVED
JUL 05 2011

BY: *J. Finance*

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of May 2011.

On May 1, 2011, the **Medical Assistance Trust Fund** cash balance closed at a negative \$197.9 million. This negative balance continued through May 31, 2011, when the fund's cash balance closed at a negative \$301.2 million. The **Medical Assistance Trust Fund** cash balance reached its intra-month low of a negative \$301.9 million on May 26, 2011.

On May 1, 2011, the **Police and Fire Protection Fund** cash balance closed at a negative \$12.9 million (its intra-month low). This negative balance continued through May 31, 2011, when the fund's cash balance closed at a negative \$8.9 million.

On May 1, 2011, the **Democracy Trust Fund** cash balance closed at a negative \$901 thousand (its intra-month low). This negative balance continued through May 31, 2011, when the fund's cash balance closed at a negative \$896 thousand.

On May 1, 2011, the **Environmental Fund** cash balance closed at a negative \$10.9 million. This negative balance continued through May 31, 2011, when the fund's cash balance closed at a negative \$11.6 million (its intra-month low).

The Medical Assistance Trust Fund, Police and Fire Protection Fund, Democracy Trust Fund and Environmental Fund shortfalls were due to the difference in the timing of

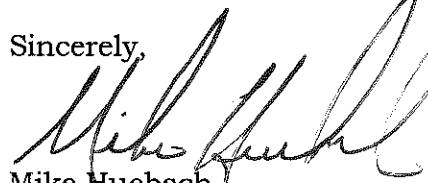
** Referred to joint committee on Finance*

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revenues and expenditures, were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

A handwritten signature in dark ink, appearing to read "Mike Huebsch", written over a light blue horizontal line.

Mike Huebsch
Secretary